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Dear Colleagues,

Thank you for taking upon yourselves the burden of attempting to find a way forward toward a global settlement in the various opioid-related lawsuits. This is a difficult task, and I know you have spent a great deal of time and effort to make the commendable progress you have reportedly made to date.

I write today to express several concerns. First, the lack of consultation with other attorneys general regarding terms of a possible settlement increases the risk of a result similar to what we saw in the Purdue/Sackler negotiations, where fully half of the states are not in agreement. It is obvious that such an outcome would not produce a workable settlement in an environment that does not include a bankruptcy judge to adopt a plan by order over the objections of some creditors.

There are at least three critically important elements that should be part of these discussions, and without which it will be difficult for Ohio to join any settlement.

The first, and of paramount importance, is a mechanism to ensure that any recovery is spent on abating and remediating the addiction epidemic. A consent decree with terms that prevent diversion to general-fund uses, complete with an enforcement mechanism, is a prerequisite. Every expert who has looked at this issue believes our country will be dealing with the fallout from this class of drugs for many years into the future. Any recovery must be directed toward solving the problem, and not diverted to other uses. We will not have another opportunity.

Second, attorney fees must be addressed. Ohio law tiers contingency fees for outside counsel for the state, capped at $50 million in aggregate. This law does not apply to local jurisdictions, many of whom have contingency fee contracts of as much as a third of any recovery.

For illustration, if a settlement were to produce $1 billion, the State of Ohio would pay its outside counsel $50 million -- a hefty fee, to be sure, but a fee for work actually performed and containing some reward for the risk undertaken. Counsel for the local governments -- who are pursuing fractional claims which belong to the State of Ohio and are representing the same citizens as the State -- could collect more than almost seven times as much, or $330 million.

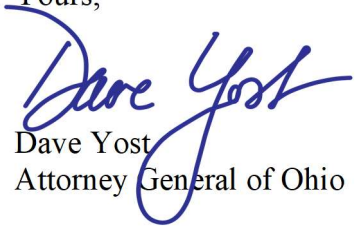
Leaving aside the duplicative nature of the local legal work, counsel for the local governments could receive a windfall of over $275 million. Certainly, those lawyers should be paid for their work, but the lawyers representing only a portion of the people of Ohio should not reap greater rewards than the lawyers who are representing all of the people.

That extra $275 million should go to fight the epidemic, not to line the lawyers' pockets. Any settlement must include terms to address this gross inequity.

Finally, there has been no recognition that only a few states have actually filed claims against the distributors. Ohio was not only among the first to bring these claims, it is one of only a handful of states to sue all three of the major distributors. Any agreement that treats non-litigating states the same as those who have sat on the sidelines watching while others carried the battle is unfair and inappropriate.

I am sure other states have concerns that need to be addressed. I urge you to expand your process to be more inclusive, lest your final goal prove in the end elusive.

Yours,



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